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Investment Idea

Binastra Corporation Berhad

Growth From Other Avenues

By Thong Pak Leng, Vice President of Research

Binastra Corporation Berhad (BNASTR, 7195) recorded job wins of RM4.1bn in FY1/26 and RM819.5m year-to-date FY1/27, bringing its outstanding orderbook to RM7.1bn as of March 2026. This provides solid earnings visibility for the next few years, with net profit projected at RM173.8m for FY1/27 and RM205.9m for FY1/28. We reiterate our BUY call with a TP of RM2.87, pegged to 18x PER, in line with peers of similar scale.

BNASTR is a CIDB Grade 7 contractor capable of undertaking large-scale projects of unlimited value. Over the years, the group has expanded beyond its traditional core in building construction to engineering, procurement, construction and commissioning activities for renewable energy projects, while also broadening its capabilities through LF Lansen, which provides thermal energy storage systems, buffer tanks for data centres and energy-efficient engineering solutions

Among the major jobs secured in FY1/26, BNASTR won the Causewayz Square, Johor Bahru contract from EXSIM worth RM1.18bn, which was the single largest award the year. This was followed by The Address @ Taman Pelangi, Johor Bahru from Maxim Global at RM742.9m, Data Centre EX 3 @ Bukit Jalil from EXSIM at RM574.4m, and The Queenswoodz @ Bukit Jalil from EXSIM valued at RM405.0m. Other sizeable wins included the 65MWp solar photovoltaic system and 200MWh battery energy storage system in Pasir Gudang for Bahru Stainless worth RM305.0m, and Tuan Heritag3 @ Segambut at RM268.0m. For FY1/27, the key large contract wins were the proposed data centre in Cheras from EXSIM worth RM503.0m and Subang Sentral (Phase 1) @ Subang Jaya from HCK Sentral valued at RM316.5m.

Looking ahead, BNASTR's expansion plans are increasingly centred on diversifying into higher-value non-residential projects, particularly data centres and renewable energy infrastructure, while maintaining its strength in residential construction. The group managed to secure substantial data centre contracts in the Klang Valley and continues to build its presence in green energy through solar and battery energy storage projects.

Balance sheet is strong with net cash of more than RM48m as of FY1/26. BNASTR declared dividend of 6.5sen/share for FY1/26, representing a payout ratio of 53.1% of PATMI, well above its initial 30% distribution target. We forecast the company to pay 8.0sen and 9.4sen for FY1/27 and FY1/28, translating into yields of 4.0% and 4.7% respectively.

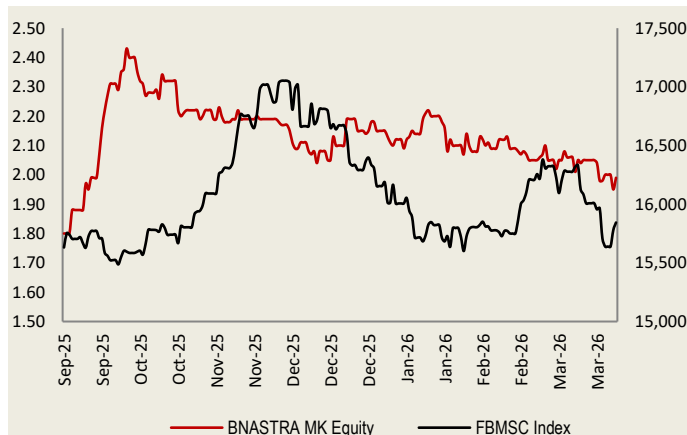
Technically Speaking

Resistance level	RM2.10
Support level	RM1.94



BUY

Price: RM2.00
Target price: RM2.87



KLCI	1,708.90
YTD FBM KLCI change	1.71%
YTD FBM SC Index change	-5.72%
YTD stock price change	25.14%

Stock Information

Market Cap (RMmil)	2,180.2
Issued Shares (m)	1,091.3
52-week range (H)	2.50
52-week range (L)	1.60
Shariah Compliant	Yes

Major Shareholders

JT CONGLOMERATE SDN	41.2%
Lee Yong Seng	11.7%
Datuk Jackson Tan	11.1%

Summary Earnings Table

FY Jan (RM'm)	2025	2026	2027F	2028F
Revenue	946.6	1,502.3	1,772.7	2,003.2
EBITDA	133.7	194.7	249.9	296.4
Pretax profit	124.5	180.8	233.2	277.3
PATMI	90.3	136.9	173.8	205.9
Core PATMI	90.3	136.9	173.8	205.9
Consensus	-	-	175.3	208.8
Core EPS (sen)	8.3	12.6	15.9	18.9
EPS growth (%)	121.4%	51.6%	27.0%	18.5%
DPS (sen)	3.0	6.5	8.0	9.4
PER (x)	24.2	15.9	12.5	10.6
BV/Share (RM)	0.26	0.32	0.31	0.41
ROE (%)	49.4%	43.1%	65.5%	52.2%
Div. Yield (%)	1.5%	3.3%	4.0%	4.7%

Sources: Company, Rakuten Trade Research



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COMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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